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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

NOV 18 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR AN ACCOUNTING
ORDER IN CONNECTION WITH THE
ACQUISITION OF UP TO A 25% INTEREST IN
GILA RIVER POWER PLANT UNIT #3.

DOCKET NO. E-04204A-13-0476

ORIGINALPROCEDURAL ORDER**BY THE COMMISSION:**

On December 31, 2013, UNS Electric, Inc. ("UNSE" or "Company") filed an Application with the Arizona Corporation Commission ("Commission") seeking approval of an accounting order authorizing the deferral for future recovery of non-fuel costs associated with the Company's prospective purchase of up to a 25 percent interest in Unit 3 at the Gila River Power Plant.

On March 7, 2014, intervention was granted to Arizona Public Service Company ("APS") and the Residential Utility Consumer Office ("RUCO").

On October 28, 2014, the Commission's Utilities Division ("Staff") filed the Direct Testimony of Gerald Becker recommending approval of an accounting order subject to Staff's proposed clarifications.

On October 29, 2014, RUCO filed a Request for Procedural Order seeking a procedural schedule in this matter.

By Procedural Orders dated November 3, and November 6, 2014, a telephonic Procedural Conference was set for November 17, 2014, to discuss establishing procedures for this matter.

UNSE, RUCO and Staff appeared at the November 17, 2014 Procedural Conference. UNSE indicated that in general it agreed with Staff's recommendations contained in the testimony of Gerald Becker and was in the process of circulating a Plan of Administration for the proposed accounting order. RUCO indicated that it had only recently received the responses to its data requests and wanted an opportunity to file testimony in response to Staff's testimony. As of the time of the

1 Procedural Conference, the parties were not certain that a hearing would be necessary, but ultimately
2 agreed that in light of the request for a Recommended Order to be prepared by the Hearing Division,
3 planning for a Hearing would be beneficial. UNSE requested that the matter be considered the
4 Commission's January Open Meeting if possible, and that the accounting order track costs beginning
5 January 1, 2015. Given the relatively short time frame for a final order, and the limited scope of the
6 proceeding, the parties believed that they could file responsive testimony to Staff's direct testimony
7 by December 5, 2014, and be prepared to participate in a hearing on or around December 15, 2014.
8 No party believed that addition public notice was required in this matter because an accounting order,
9 if approved, would not affect current rates.

10 The proposal for an accounting order appears to allow non-fuel costs associated with the
11 purchase of an interest in a power plant to be deferred and tracked for consideration in a future rate
12 case. Although an accounting order, if approved, would not affect current rates, its final form can
13 impact future rates. Consequently, as with financing requests, publication of the notice of the hearing
14 in this matter is in the public interest.

15 In light of the foregoing, this matter is ready to be set for hearing, and this Procedural Order is
16 issued to govern the preparation and conduct of the proceeding.

17 IT IS THEREFORE ORDERED that a **hearing** on UNSE's request for an accounting order
18 shall commence on **December 15, 2014 at 10:00 a.m.**, or as soon thereafter as is practical, at the
19 Commission's Tucson offices, Room 222, 400 West Congress, Tucson, Arizona.

20 IT IS FURTHER ORDERED that any **testimony** and associated exhibits to be presented at
21 hearing on behalf of **UNSE or Intervenors** shall be reduced to writing and filed on or before
22 **December 5, 2014.**

23 IT IS FURTHER ORDERED that any **responsive testimony** by any party concerning the
24 **testimony due December 5, 2014 shall be presented verbally at the hearing.**

25 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
26 105, except that all motions to intervene must be filed **on or before December 8, 2014.**

27 ...

28 ...

IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in this matter in no less than 10-point regular type:

**PUBLIC NOTICE OF HEARING ON THE
REQUEST FOR ACCOUNTING ORDER BY
UNS ELECTRIC, INC.
Docket No. E-04204A-13-0476**

On December 31, 2013, UNS Electric, Inc. ("UNSE" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for approval of an accounting order authorizing deferral for future recovery of non-fuel costs associated with the Company's prospective purchase of up to a 25 percent interest in Unit 3 of the Gila River Power Plant. If approved, an accounting order would not change current rates, but would allow the Company to defer and track certain costs associated with its planned purchase and have those costs considered for recovery in a future rate case.

On October 28, 2014, the Commission's Utilities Division Staff filed testimony supporting an accounting order with certain modifications. The Residential Utility Consumer Office ("RUCO"), a party to this matter, has not yet made a recommendation regarding the request, and the Commission will determine whether to approve the request based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors.

How You Can View or Obtain a Copy of the Proposal

If you have any substantive questions about the application, you may contact the Company at: [COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE APPLICATION]. Copies of the application are available at the Company's offices. In addition, copies of the application and any testimony filed in this matter are available at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218, Tucson, Arizona, and on the internet via the Commission website (www.azcc.gov/) using the e-docket function.

Public Hearing Information

The Commission will hold a **hearing** on this matter on **December 15, 2014, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona, 85701.

Public comments will be taken at the beginning of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-04204A-13-0476 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than **December 8, 2014**, and a copy of the motion to UNSE or its counsel and to all parties of record. Your motion must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, etc.).
3. A statement certifying that you have mailed a copy of the motion to intervene to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before December 8, 2014. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall cause the above notice to be published at least once in a newspaper of local circulation in its Arizona service territories, with **publication to be completed no later than December 1, 2014.**

IT IS FURTHER ORDERED that the Company shall file certifications of publication as soon as practicable after they have been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
2 Communications) applies to this proceeding and shall remain in effect until the Commission's
3 Decision in this matter is final and non-appealable.

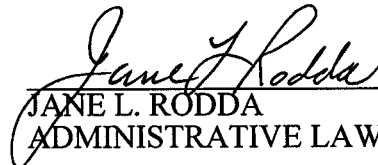
4 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
5 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

6 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
7 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
8 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
9 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
10 matter is scheduled for discussion, unless counsel has previously been granted permission to
11 withdraw by the Administrative Law Judge.

12 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
13 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

14 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
15 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

16 DATED this 18th day of November, 2014.

17
18 
JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed
20 this 18th day of November, 2014 to:

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25 COASH & COASH, INC.
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